



GOVERNOR
Janet Napolitano

CHAIRMAN
Stephen A. Owens
Director, ADEQ

VICE CHAIRMAN
Paul T. Gardner

Water Infrastructure Finance Authority of Arizona

NEWS RELEASE

For more information contact: Suzanne Price, WIFA Communications Director
(602) 364-1314 or 1-877-298-0425 www.wifa.state.az.us

BOARD OF DIRECTORS

William M. Garfield

Ron Gray

Gail Hackney

Joseph A. Hughes

Edward D. Manuel

Steve Olea

Gerald Flannery

Cynthia Seelhammer

E. Blaine Vance

Joseph F. Yuhas

Jay R. Spector
Executive Director

WIFA Approves \$3.3 Million Loan for Carefree

PHOENIX (Feb.25, 2004) – Water Infrastructure Finance Authority of Arizona (WIFA) Chairman Steve Owens today announced approval of a \$3.3 million loan to assist the Town of Carefree in meeting a deadline for compliance with a new, more stringent federal standard for arsenic in drinking water.

The new standard requires Arizona's 1,700 public water systems to lower the concentration of arsenic in their drinking water from 50 parts per billion to 10 ppb by January 2006 – a significant challenge for water systems in Arizona because arsenic occurs naturally in soil and groundwater here at concentrations ranging from 10 ppb to 200 ppb.

The loan will allow Carefree to build a new million-gallon underground water storage tank as well as install the necessary water lines, a chlorination system and other equipment. The underground reservoir will enable the town to meet the new EPA standards for arsenic by blending water.

"I am pleased to see the leaders in Carefree are taking the lead to address the arsenic issue with low interest funding from WIFA," said Owens, who is also director of the Arizona Department of Environmental Quality. "ADEQ will work closely with WIFA to support those communities who seek assistance to meet the new standards."

Carefree's arsenic levels are presently above the arsenic standard set to take effect in 2006.

"We hope more communities will see the wisdom in planning now for these federal requirements," added Jay Spector, WIFA executive director. "The proactive approach taken by the community's leaders to meet its future drinking water needs is commendable."

The additional potable water storage for Carefree residents will meet county water storage standards as well as provide drinking water for emergency use.

(more)

Town of Carefree voters authorized \$3,332,280 in debt authority in a special election November 4, 2003. The debt authority will provide funding for design and construction of the infrastructure improvements.

About the Water Infrastructure Finance Authority of Arizona

The Water Infrastructure Finance Authority of Arizona (WIFA) is an agency of the state authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for 100% of eligible project costs.

As a "bond bank", WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. By pooling different entities' financing needs, WIFA provides significant savings through reduced borrowing amounts, lower interest rates, and shared/reduced closing costs.

WIFA's principal tools for providing low interest financial assistance include the Clean Water Revolving Fund (CWRf) for publicly held wastewater treatment projects and the Drinking Water Revolving Fund (DWRf) for both publicly- and privately-held drinking water systems. Both funds are capitalized by contributions from the state and the US Congress. Presently Arizona receives about \$20 million in federal allocations annually for the wastewater and drinking water infrastructure construction improvements.

The formula used by Congress for wastewater allocations is based on 1970's data. If the formula were based on current population and infrastructure needs, the state would receive 4 or 5 times the current allocation of approximately \$9 million.